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RUEHKT/AMEMBASSY KATHMANDU 9605
RUEHMO/AMEMBASSY MOSCOW 1431
RUEHKO/AMEMBASSY TOKYO 4503
RUEHCG/AMCONSUL CHENNAI 9056
RUEHKP/AMCONSUL KARACHI 6889
RUEHCI/AMCONSUL KOLKATA 8752
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TAGS: PGOV PHUM PREL PINR KISL IN

SUBJECT: SAMAJWADI PARTY PULLS SUPPORT FROM UPA GOVERNMENT, BUT ELECTION COMMISSION SETS UTTAR PRADESH POLL DATES

REF: A. NEW DELHI 776

¶B. NEW DELHI 396

¶C. NEW DELHI 346

¶D. NEW DELHI 659

¶E. NEW DELHI 753

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Classified By: PolCouns Ted Osius for reasons 1.4 (B,D)

SUMMARY

1.(U) SUMMARY: In two days of high political drama, the Congress balked at asking President Kalam to remove Uttar Pradesh (UP) Chief Minister (CM) Mulayam Singh and replace him with direct President,s Rule, the Left deterred the Congress from doing so by refusing to support such a step, the BJP insisted polls in corruption- and crime-plagued UP must continue as scheduled, Mulayam withdrew his Samajwadi Party,s (SP) 38-seat contingent from the governing United Progressive Alliance (UPA), and the the Election Commissioner (former Deputy PM Lal Krishan Advani,s Home Secretary) decreed that UP polls would take place in a remarkable seven phases from April 7 to May 8 so that the Election Commission (EC) could ensure the cleanest possible conditions despite Mulayam,s certain efforts to intimidate, bribe, and pack the rolls. The immediate reaction here was that wily Mulayam will now face a concerted effort by the BJP, Congress and BSP to oust him and his corrupt cronies. It is also clear that the Left,s clout in Delhi has grown, with Congress unwilling to do anything to risk its withdrawal of support and consequent UPA collapse. As a result, we doubt much reform-minded legislation will move forward during the Budget Session of Parliament starting February 23. The Congress will also likely exert extreme caution in its foreign policy decisions) especially on Iran -- until after the UP election results on May 11. END SUMMARY.

A GAME OF NUMBERS

12. (U) Power at the Center is a game of numbers. Out of the 545 seats in Parliament, 225 Members of Parliament (MPs) are part of the Congress led UPA government. To govern, a party or coalition must demonstrate control over 273 seats in the Lower House. The Opposition NDA coalition, headed by the Opposition Bharatiya Janata Party (BJP) is 171 strong. The Left holds 59 seats among four parties and the SP holds 38. Both the Left and the SP agreed to support the UPA coalition government in April 2004, though they decided not to join the coalition formally. After the SP pulled support from the UPA in a surprise move on February 21, the government still had the support of 284 MPs (including the Left), a less comfortable majority in Parliament. Mulayam, however, has urged all the Left parties to follow his suit and pull support. The UPA, preparing for this eventuality, struck a deal with the Bahujan Samajwadi Party (BSP) of former UP Chief Minister Mayawati, who will lend her 19 MPs to the UPA coalition government (reftel), allowing it to maintain 299 seats. Despite BSP support, assuming it does come, and in order to remain effective in Parliament, Congress is even more dependant on the Left and will need to keep the Left

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content. Our contacts tell us that if the Left were to withdraw support, the UPA would collapse totally, with only Lalu Prasad Yadav,s RJD party remaining with Congress, while all the other opportunists would look for the best offers possible from the Left, BJP, or unscrupulous regional parties. This scenario, however, is slim, they argue. The Left remains quite happy to exert maximum influence in Delhi with minimal responsibility.

CONGRESS LOBBYING ITS ALLIES

13. (U) What caused this odd series of events? In an expected decision, the Supreme Court ruled February 14 that the defection of 13 UP MLAs to Mulayam,s party had been unconstitutional, calling into question the legality of a further 24 such defections. With Mulayam seeming more vulnerable than ever, Congress, egged on by the BJP, met to decide what to do. On February 19, the Congress Party held a meeting of the Congress Working Committee (CWC), presided over by Sonia Gandhi. Based on the SC ruling, the Party leadership reached consensus that Mulayam's government had lost the moral right to continue in office. However, All-India Congress Committee General Secretary Janardhan Dwivedi remained non-committal on whether the UPA government would request an imposition of President's Rule in UP, maintaining that the Central government could only make that decision after consulting with all its allies. Congress then began lobbying its eleven formal UPA allies, plus the four Left parties, to agree to seek President's Rule.

THE LEFT: A GROWING POWER

14. (U) Much to the ire of Congress, however, the Communist Party of India-Marxist (CPI-M), a close ally of the Samajwadi Party (SP) and Mulayam Singh, made clear its opposition to imposing President's Rule in UP. Media reported that CPI-M General Secretary Prakash Karat said, "(Congress/UPA) use of Article 356 (President's Rule), would lead to a political

breach between CPI-M and UPA." Whether this was an empty threat or not, Congress relied heavily on support from the Left to maintain power at the center and had to weigh Karat's words with caution. Further, with the Budget Session starting at the end of the week and needed economic reforms prominent on the agenda, Congress realized it needed to bend to its Left allies, ultimatum. On February 20, Congress sent the Prime Minister to talk to Karat. Unable to convince Karat, Congress was stuck in a dilemma. Furthr, Constitutional experts say any attempt by the UPA government to impose President's Rule and dismiss Mulayam's government would have likely been illegal. The ruling only refers to the disqualification of the 13 Members of the Legislative Assembly (MLAs), and makes no reference to the constitutionality of the overall UP government.

MULAYAM STRIKES BACK

15. (C) The next day, Mulayam, exhibiting his best knife-fight skills, dropped a massive surprise attack on the UPA, formally withdrawing his party,s support for the coalition

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and effectively daring Congress to impose President,s Rule on his state. He also called for a vote of confidence in the UP legislature on February 26, having won an earlier one just weeks prior. The same day, February 21, the BJP insisted that the UP State elections must take place on time, ie, by The result was a frenzy of closed door consultations in smoke filled rooms at the Congress headquarters. One source told us that his best guess of what happened was that a desperate and cornered Congress worked a deal with the BJP) which also despises Mulayam) to announce polls ASAP and to work together to ensure that they be as clean as possible. The Election Commissioner, BJP Supremo LK Advani, s former Home Secretary, has proven pliant to him before, such as when he helped clean up Bihar to pave the way for a BJP ally,s win there last year, so it was with little surprise that the Election Commission announced dates in a dramatic news conference late on February 21 for the UP state polls.

UP ELECTIONS: TIMING IS EVERYTHING

16. (C) Seemingly confirming our source,s speculation, the Electoral Commissioner announced that the UP polls will take place in seven tranches starting April 7 and ending May 8, with final results announced May 11. To ensure that the polls are as clean as possible, the Commission has broken the mammoth task into seven slices, and will likely flood the roughly 50-60 constituencies in each tranche with a large number of Central security forces and EC supervisors to try to defeat Mulayam,s goon squads, dirty tricks. That 110 million voters are registered on the electoral rolls gives a sense of how challenging the task will be. Equally challenging will be the intense heat of April and May, which generally result in voter ire in the polling queue which tends to fan anti-incumbency sentiments. The heat also may result in election-related communal violence, which Mulayam may try his utmost to stoke, as he has done in the past.

MUSLIM VOTERS AND MULAYAM

17. (C) On February 20, PolCounselor met with Sanjay Baru, the Press Advisor to the Prime Minister. Baru revealed grave concern over the controversy unraveling in UP. Baru confided that the UP situation could destabilize the central government if Congress is unable to preserve the support of the Left parties. Baru also reminded us that UP has the highest number of Shia Muslims in India, making the debate about India's relationship with Iran "a domestic political issue". Baru indicated that Muslim UP voters are susceptible to Mulayam,s allegations that the U.S. is influencing state politics. Mulayam is capitalizing on this by accusing

Congress and the UPA government of being swayed by "foreign hands," implying the U.S., in pushing for President's Rule. COMMENT: While we are decidedly not interfering to bring about Mulayam's downfall, we would not cry any tears for him, either. On the other hand, the Iranian Embassy in Delhi is actively stirring up trouble in UP and in the Urdu press, likely with Mulayam,s tacit endorsement. END COMMENT.

COMMENT: UPA MANEUVERING ROOM SHRINKS

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18. (C) Mulayam Singh is not the only one in the hot seat. Caught between the Left and Muslims, the decisions Congress will make in the next few days will reflect intense political posturing to maintain power at the center. In UP, Mulayam will play the role of the martyr to Muslim voters, having been attacked by "outside forces" aligned with Congress and the right wing BJP Party. These events will most likely result in Congress being very cautious in the upcoming Budget Session, where new foreign investments reforms in retail and higher education had been planned, but may now be postponed. In addition, given the Shia/Sunni dynamics in UP, Congress and the UPA are likely to be extraordinarily cautious in foreign policy) especially on Iran -- from now until the poll results are announced on May 11. Nobody ever said Indian domestic politics were dull. End Comment MULFORD